

State Employee Compensation Commission Meeting

August 27, 2014

Department of Administration and Information

Director Dean Fausset

Agenda

- 1:00 p.m. Welcome and Introductions
- 1:03 p.m. Approval of Minutes from April 22, 2014 Meeting
- 1:05 p.m. A&I HRD Review and Findings of Employee issues brought before Commission meeting
- 1:30 p.m. Update on Rules
- 1:35 p.m. Compensation Update
 - July 2014 Pay Adjustments
 - Changes to the Compensation Policies
- 2:05 p.m. Update on 2014 Performance Management
- 2:10p.m. Employee Requests and Public Comments
- 2:30 p.m. Wrap up and Adjournment

Update On Rules

- Department of A&I HRD emergency rules for Chapter 14 – Performance Management have been signed by the Governor and went into effect 07/02/2014.
- Public comment period began for the remainder of the rules changes 08/15/2014 and ends 09/29/2014.
- Rules Hearing will be held on 10/03/2014 at 1:00p.m. in the Herschler Bldg. Rm.B63

Significant Changes

- Simplification of rules on recruitment and selection chapters.
- Major changes to simplify the grievance process.
- Update the rules regarding performance management.
- The proposed changes will reduce the rules from 87 pages to 53 pages or a 39% reduction in the # of pages.
- A reduction of 39% in the # of Chapters from 18 chapters down to 11.

Update on Rules

- A copy of the proposed rules may be obtained on our web page at

http://www.wyoming.gov/loc/06012011_1/employees/NoticeofIntent/Pages/default.aspx

July 2014 Pay Adjustments

- Developed and implemented a position in range and merit market matrix to distribute \$6,534,000 General Funds to state employees
- The pay ranges for each of the 5 pay tables were broken down into percentiles and an employee received a variable % adjustment based on where their base salary was in relation to the pay range and performance rating received on Sept. 2013 evaluations.

July 2014 Pay Adjustments

- Employees with a superior rating and lowest in the range, received the highest increase (4.75%).
- The increases ranged from 4.75% to 0% depending on the level of performance
- Forty-eight (48) employees received their increase in the form of a one-time annual bonus as their current salary exceeded the maximum for the pay range, but had competent or above performance.

July 2014 Pay Adjustments

- Employees with unsatisfactory or no evaluation did not receive an increase.
- 7,623 employees received an average 2.37% salary adjustment

Compensation Policy Survey

- A&I contacted 119 individuals in 55 state agencies (Directors and HR staff) regarding changes to the Wyoming Compensation Policies.
- Received responses from 35 agencies or 63%
- Common Theme: “Give the agency the flexibility within the pay grades within current appropriated agency budgets and hold the agency accountable for the results.”

Compensation Policy Survey (continued)

- Based on feedback from agencies and the parameters already established in Chapter 1, Section 5 (d) of the State of Wyoming Compensation Policies, A&I HRD recommends the following changes in concepts to the State of WY existing policy.

Policy Review – Problem Statement

- Under current Human Resources Division (HRD) rules for reclassification, it is important to understand that this policy may be creating inequities within the same class title because of the base pay cap being set at market minimum instead of the Market Policy Position (MPP).
- The current process is that an incumbent reclassified can only receive a pay increase to the minimum of the pay table. If their current salary is above the minimum they receive no adjustment.
- On a vacant position however the agency has the discretion to hire or promote all the way up to the MPP.

Policy Review - Look Forward

- Work has already begun with agencies to determine the full scope of the issue, and no later than September 1, we will initiate work with the remaining agencies identifying the possible inequities caused by the current reclassification policy. Then finalize the recommended policy change, and begin closing the recognized inequity gaps.
- This one time look will provide the agencies an avenue to correct the inequities that may have been created by the current reclassification policy.
- This review and approval will occur on a position by position basis with final approval being granted by the HRD for reclassification inequities only.

Policy Review - Collaboration

- In order to better understand this issue, the HRD and the Budget Division within the Dept. of A&I in collaboration with the Director's Office, are in the process of reviewing the existing policy of capping the salary at market minimum for position reclassifications with incumbents.
- The current reclassification policy may have created a constraint on the agencies and has limited the employee's compensation to the minimum of the pay range.

Policy Review – Parameters

- It needs to be stressed that **this is a statewide issue**.
- It is important to scope out the impact across all state agencies.
- Recommended policy modifications must be afforded to all agencies independently of one agency's ability to afford pay increases over those agencies that are restricted by the availability of funds.
- It is not believed that the entire population of these inequities can be or should be addressed and ignore the recent pay for performance.

Policy Review - Scope

Scope:

- Our data analysis has concluded that from the time period of 03/01/010 through 06/30/14 that:
 - 1639 reclassifications have been conducted with incumbents between the above timeframe
- Of these 1639
 - 853 did not receive a pay change
 - 786 did receive a pay change
 - 592 moved to the minimum of the pay range per the reclassification policy in effect 03/01/2010
 - 118 moved to 91% of the MPP per exception requests
 - 9 moved above min. to a rate less than 91% of MPP
 - 67 moved to a rate more than the 91% of MPP

Compensation Policy (Review)

- ✓ Reclassification: Allow an employee's pay to be established between the minimum and the MPP of the pay grade, provided the agency has currently appropriated funds available within their existing budget.

Compensation Policy Recommendations (Budget)

Recommendation is to allow a position reclassification for incumbents to be paid up to Market Policy Position (MPP) while controlling budget creep.

- ✓ Priority given to the following budget methods as follows:
 1. Eliminate positions, following through with necessary budget modifications
 2. Declassify position(s) salary (net to zero)
 3. Move funding from one object class to the salary class where allowed

Compensation Policy

Recommendations (Budget) Cont.

Recommendation is to allow a position reclassification for incumbents to be paid up to Market Policy Position (MPP) while controlling budget creep.

- ✓ Priority given to the following budget methods as follows:
 4. Identify available appropriated funds and leverage where possible
 5. Target an amount of the second half of the biennium's currently appropriated funding made available to address pay inequities when all previous avenues have been exhausted
 6. Request funding through the budget process when all previous avenues have been exhausted

Compensation Policy Recommendations (Other)

Voluntary Reappointment to a different classification in the same or lower pay grade:

Allow an employee's pay to be maintained or reduced to anywhere between the minimum and the maximum in order to prevent any substantial differences in pay of existing employees.

Compensation Policy

Recommendations (Other) Cont.

Involuntary Reappointment to a different classification in the same or lower pay grade:

Allow an employee's pay to be maintained or reduced anywhere between the minimum and the maximum in order to prevent any substantial differences in pay of existing employees.

2014 Update on Performance Management

- On all employees welcome/home page of Halogen the following documents are located in useful links to assist the supervisors and employees through the evaluation phase:
- [Employee's Evaluation Checklist ...](#)
- [Supervisor's Evaluation Checklist...](#)
- [Evaluation Phase Procedures & Roles...](#)
- [Performance Evaluation Meeting Before, After, During ...](#)
- [Evaluation overall Rating .](#)
- [PMI Scoring](#)
- [Rating chart](#)

2014 Update on Performance Management

- As of today, 19% completed through the 6 steps.
- The steps are:
 1. Manager reviews/writes goals, selects target ranges and reviews workplace coaching. Then SCORES all sections.
 2. Second level manager approves appraisals
 3. HR rep approves appraisals
 4. Manager writes comments and meets with employee
 5. Employee comments and signs-off.
 6. Manager sign-off

2014 Update on Performance Management

- We have 81% that still need to get through all the steps. All evaluations must be done by September 30, 2014
- Planning will open October 1st, 2014

Final Agenda Items

- Employee Requests and Public Comments
- Wrap Up
- Fall Meeting scheduled for Wednesday, November 12, 2014 1 - 5 p.m.
- Adjournment